

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

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COMMERCE COMMISSION
Aug 26 12 47 PM '02
CHIEF CLERK'S OFFICE

NATIONAL DISTRIBUTION :
: vs. : 01-0306
: COMMONWEALTH EDISON COMPANY :
: Complaint as to overcharging, :
and failure to honor previous :
settlement agreement in :
Chicago, Illinois. :

NATIONAL DISTRIBUTION'S
ADDITIONAL DIRECT TESTIMONY

NOW COMES, the Complainant, NATIONAL DISTRIBUTION, by and through its attorney, ROBERT HABIB, and propounds this Additional Direct Testimony;

1. Please state your name?

Brian Flist

2. What is your position with NATIONAL DISTRIBUTION?

General Manager

3. What does NATIONAL DISTRIBUTION do?

It manages the buildings of 1600 South Western, 2443 West 16th Street, and 2444 West 16th Street, Chicago, Illinois.

4. What is NATIONAL DISTRIBUTION'S account number with COMMONWEALTH EDISON?

Number 1528394006

5. What buildings managed by NATIONAL DISTRIBUTION are supplied with electricity by COMMONWEALTH EDISON under this account number?

2443 West 16th Street, 2444 West 16th Street, Chicago, Illinois.

6. Since submitting your Direct Testimony, in 2001, what additional materials have you reviewed which were provided by COMMONWEALTH EDISON?

I have reviewed the Direct Testimony of John Pfeiffer and Lynn Miller and the corrected bills submitted by COMMONWEALTH EDISON, and the Answers to the Interrogatories submitted by COMMONWEALTH EDISON.

7. At the time you submitted your Direct Testimony, did you estimate what your bills for the four (4) year period from January, 1998 through February, 2001 should have been averaged?

Yes

8. What was this amount?

ONE THOUSAND TWO HUNDRED NINETY-FOUR AND 64/100's (\$1,294.64)

9. What was the average amount the utility actually billed you?

In the area of FOUR THOUSAND FIVE HUNDRED (\$4,500.00) per month.

10. Have you reviewed the corrected bills submitted by COMMONWEALTH EDISON on April 19, 2002?

Yes.

11. What was the average amount of the corrected bills issued April 19, 2002?

The corrected bills from February 9, 2000 to February 8, 2001 averaged \$989.24.

12. What was the average bill from February 9, 2000 to February 8, 2001 prior to the correction?

TWO THOUSAND TWO HUNDRED FOURTEEN AND 62/100'S (\$2,214.62)

13. COMMONWEALTH EDISON has admitted it over billed NATIONAL DISTRIBUTION by THIRTEEN THOUSAND FOUR HUNDRED

SEVENTY-EIGHT AND 67/100'S (\$13,478.67) during the period from February 9, 2000 to February 8, 2001?

Yes

14. Have you added up the bills from the previous years for 1998 and 1999?

Yes

15. How did you do this?

I added up the monthly bills as shown in Exhibit 4 of my Direct Testimony.

16. For the year 1998 what did you find?

I added up all the bills received from EDISON for the period from February 6, 1998 to February 9, 1999 and this figure came to FIFTY-ONE THOUSAND NINE HUNDRED TWENTY-TWO (\$51,922.00) (rounded off). I then divided it by twelve (12) and the average monthly bill came to FOUR THOUSAND THREE HUNDRED TWENTY-NINE (\$4,329.00) for the period from February, 1998 to February, 1999.

17. For the year 1999 what did you find?

I again added up all the bills received from EDISON for the period from February 9, 1999 to February 9, 2000 and it came to FIFTY-ONE THOUSAND EIGHTY-TWO (\$51,082.00). I then divided this by twelve (12) and the monthly figure was FOUR THOUSAND FIFTY-SIX (\$4,056.00) per month.

18. Just to summarize, in the year 1998	
your average monthly bill was	\$4,329.00
In 1999 it was	4,056.00
In 2000 it was	989.24
In 2001 it was	1,538.00

19. Do you know of any explanation which would account for the fact that your bills in 1998 and 1999 were three to four times greater than your bills in 2000 and 2001.

No, especially because the rates we paid for electricity were substantially less in 1998 and 1999 as compared to 2000 and 2001.

20. On what do you base that statement that the price of electricity in 1998 and 1999 was substantially less than in 2000 and 2001?

Commonwealth Edison in its Answer to Interrogatory number 3, stated that the average price per kilowatt hour charged to National Distribution was as follows:

1998	-	0.077139
1999	-	0.072127
2000	-	0.080875
2001	-	0.091448

As shown above, the price of electricity increased by more than twenty (20%) for 1999 to 2001.

21. In terms of your occupancy rate for the building at 2443 West 16th and 2444 West 16th Street, which year showed the most usage?

In the year 1998, I have listed the following tenants with the amounts of their square feet they had leased.

1998 - 2444 West 16th Street

22,000 square feet	Harold Johns Co.
16,000 square feet	Airwright
9,000 square feet	National Distribution
<u>22,000 square feet</u>	<u>Uptown</u>
69,000 square feet	Total

1998 - 2443 West 16th Street

40,000 square feet Worldwide Transmission

Total for 1998 - 109,000 square feet

22. What were the figures for 1999?

In 1999 we had the following:

2444 West 16th Street

22,000 square feet	Economy
22,000 square feet	Habitat for Humanity
22,000 square feet	Harrison Marketing
22,000 square feet	Harold Johns
16,000 square feet	Airwright
<u>9,000 square feet</u>	National Distribution
113,000 square feet	Total

2443 West 16th Street

40,000 square feet	CPR Storage
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Total for 1999-153,000 Square Feet

I should point out Economy Habitat and CPR Storage, are "dead storage" in that the space was simply used to store dry goods, rather than for operations.

23. In the year 2000, what was the situation in regard to tenants in the building?

In the year 2000, the situation was the same as in 1999. A total of 153,000 square feet with the same tenants as in 1999 were present.

In May, 2000, we had the fire which interrupted operations of the building for several months.

In June, 2000, Habitats for Humanity and Harold Johns moved out because of the fire, thereby vacating 44,000 square feet of property in 2444 West 16th Street, Chicago, Illinois. Furthermore, Economy, while it did not remove its goods, no longer was active as a tenant.

Therefore, by the end of 2000, we had dropped to 109,000 square feet.

24. In 2001, how many tenants do you have?

In the 2444 West 16th Street Building, we have;

22,000 square feet	Harrison Marketing
9,000 square feet	National Distribution
16,000 square feet	Airwright
2,000 square feet	Blackhow Venture

In the 2443 West 16th Street Building we have;

40,000 square feet	CPR Storage
4,500 square feet	Kenny Construction
4,500 square feet	Starbucks Coffee
<u>22,000 square feet</u>	Kwieter International
120,000 square feet	Total

As you can see from the above figures, our peak year in terms of usage was 1999. However, in that year our electricity rates, per kilowatt hour was the lowest in the last four (4) years.

While our occupancy rate in 1999 was twenty percent (20%) higher than it was in 2001, our rates in 1999 were more than twenty percent (20%) lower than today.

Therefore, this should balance out and be somewhat equal. Instead our 2001 cost for electricity is approximately forty percent (40%) of what our costs were in 1999 and one-third of what our costs were in 1998, when we were using approximately the same amount of space.

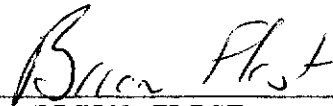
25. Are you up-to-date on your payments since March, 2001?

Yes, we have made all our payments, since because they are actual readings we know the amounts we are being charged to be accurate.

26. Do you think you've acted in good faith in this matter?

Absolutely, we paid the amounts we had agreed to pay after entering into the Agreement with Mr. Crutcher and we have paid all our current bills.

If anything, given the difference in the bills for 1998 and 1999 and those for 2000, 2001 and our present bills for 2002, we have substantially overpaid EDISON.


BRIAN FLIST
General Manager
NATIONAL DISTRIBUTION

ROBERT HABIB
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Attorney #13519

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NOTICE OF FILING

TO: MS. DONNA M. CATON	COMMONWEALTH EDISON
CHIEF CLERK	ATTN: MR. RICHARD BERNET
ILLINOIS COMMERCE COMMISSION	LEGAL SERVICES 35TH FLR
527 East Capitol Avenue	10 S. Dearborn Street
Springfield, Illinois 62701	P.O. Box 805379
	Chicago, Il. 60680-5379
	35 SW CHQ-Legal

Notice is hereby given that on August 23, 2002, Complainant filed its Additional Direct Testimony with the Clerk of the Illinois Commerce Commission, 527 East Capitol Avenue, Springfield, Illinois 62701.

CERTIFICATE OF SERVICE

I, ROBERT HABIB, an attorney, hereby certify that I served Commonwealth Edison Additional Direct Testimony of National Distribution by sending a copy via facsimile and United States Mail postage prepaid on August 23, 2002.



ROBERT HABIB

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